## **BUDGET RESOLUTION/No Tax Relief**

SUBJECT: Senate Concurrent Budget Resolution for fiscal years 1998-2002 . . . S.Con. Res. 27. Domenici motion to table the Bumpers amendment No. 331.

## **ACTION: MOTION TO TABLE AGREED TO, 73-26**

SYNOPSIS: As reported, S. Con Res. 27, the Concurrent Budget Resolution for fiscal year 1998, will balance the Federal budget in fiscal year (FY) 2002 by slowing the overall rate of growth in spending over the next 5 years to below the rate of growth in revenue collections (the Congressional Budget Office recently revised upwards its 5-year revenue estimate by \$225 billion).

The Bumpers amendment would amend the functional totals to prevent any reduction in the amount of taxes collected over the next 5 years. Any tax relief that would be given would have to be offset by new taxes. The resolution, as reported, assumes that \$135 billion in tax relief will be given, with tax increases of \$50 billion, for net tax relief of \$85 billion. The stated purpose of the amendment would be to prevent Medicare cuts from being used to pay for tax relief. There is no connection in the resolution between the projected reduction in the rate of growth in Medicare and the tax relief. The bill overall assumes three times as much spending restraint as will occur in Medicare. The Medicare provisions are necessary to keep the program from going bankrupt. Without the changes, it will be insolvent within 3 years. The changes will make it solvent for 10 years. Those changes include moving the fastest growing part of the program, home health care, so it will not deplete the trust fund and imposing restraints on costs (as proposed by President Clinton) and expanding Medicare service options, such as by allowing Preferred Provider Organizations and Medical Savings Accounts (as proposed by Republicans). Medicare will still continue to grow at more than twice the rate of inflation.

Debate on a first-degree amendment to a budget resolution is limited to 2 hours. Debate was further limited by unanimous consent. Following debate, Senator Domenici moved to table the Bumpers amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

(See other side)

YEAS (73)			NAYS (26)		NOT VOTING (1)	
	Republicans	Democrats	Republicans	Democrats	Republicans	Democrats
	(54 or 100%)	(19 or 42%)	(0 or 0%)	(26 or 58%)	(1)	(0)
Abraham Allard Ashcroft Bennett Bond Brownback Burns Campbell Chafee Cochran Collins Coverdell Craig D'Amato DeWine Domenici Enzi Faircloth Frist Gorton Gramm Grams Grassley Gregg Hagel Hatch Helms	Hutchinson Hutchison Inhofe Jeffords Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Roberts Roth Santorum Sessions Shelby Smith, Bob Smith, Gordon Snowe Specter Stevens Thomas Thompson Thurmond Warner	Baucus Biden Bingaman Breaux Bryan Daschle Durbin Feingold Feinstein Ford Kerrey Kerry Kohl Landrieu Lautenberg Leahy Lieberman Robb Rockefeller		Akaka Boxer Bumpers Byrd Cleland Conrad Dodd Dorgan Glenn Graham Harkin Hollings Inouye Johnson Kennedy Levin Mikulski Moseley-Braun Moynihan Murray Reed Reid Sarbanes Torricelli Wellstone Wyden	1—Offic 2—Nece 3—Illne 4—Othe SYMBO AY—Ai	LS: nnounced Yea nnounced Nay ired Yea

VOTE NO. 81 MAY 22, 1997

## **Those favoring** the motion to table contended:

Over the next 5 years the American people will have to pay more than \$8.5 trillion in taxes. As a percentage of their income, they already pay more in taxes than any other Americans in history. They deserve relief. In particular, working families need relief, and we are determined to give it to them. It took 3 months of fighting with Democrats, but Republicans finally managed to get them to include in this agreement net tax relief of \$85 billion. That is less than a 1 percent cut in the total tax burden, and is much less than the amount that Democrats increased taxes in 1993. Still, it is the best Republicans could get out of Democrats in the negotiations on this resolution. On one point, we are very pleased--the cut is well targeted. Most of that money will go to increase the child tax credit by \$500, which will greatly help middle-income Americans struggling to make ends meet. Our colleague from Arkansas is very upset that this resolution, which will balance the budget within 5 years using very conservative numbers, will also give the American people tax relief. He has proposed taking away the relief, which he has typically called a giveaway to the rich. In his amendment, he has attempted to draw a nonexistent nexus between reforming Medicare and tax cuts as a way of justifying the denial of those cuts. However, he is fully aware that if Medicare is not reformed in one way or another it will go broke. If he really believes that the measures in the resolution to restrain the growth of the Medicare program and to reorganize it are unnecessary, than why does not he not propose spending more money on it? Why does he leave all the assumed reforms intact? When Medicare spends less, its trust fund is depleted at a slower rate. This resolution does not allow one red cent to be taken from Medicare; in fact, it will take a substantial sum of money out of general revenues in order to prop the program up. We understand for political reasons why a Senator would not want to tell his or her constituents that he had opposed giving working families much-needed tax relief. Those constituents, who are already paying more in taxes than any other Americans in history, might not look favorably on that Senator in the next election. However, if that same Senator tells his or her constituents that he had opposed tax breaks for rich people because they were paid for by cutting Medicare, they just may buy it. We, though, know better. The Senators who support this amendment are the same Senators who year in and year out find it difficult to resist any argument to increase taxes or increase social spending. The more than \$8.5 trillion in taxes we are going to collect over the next 10 years is more than enough. We are not going to take away the small, \$85 billion in tax relief for families that we fought so hard to obtain. We emphatically oppose the Bumpers amendment.

## **Those opposing** the motion to table contended:

The math is really very simple. This budget resolution assumes changes in Medicare that will result in \$115 billion less being spent on that program over the next 5 years. It also assumes that \$85 billion in net tax cuts will be made. It does not take a rocket scientist to add two and two together: If that \$115 billion were not saved from Medicare, there would not be enough savings in this resolution to pay for tax cuts. In other words, our colleagues, Democrat and Republican, have put together a budget agreement to cut Medicare in order to pay for tax cuts from which many wealthy Americans will benefit. It is hard to imagine a more objectionable proposal. Senior citizens who go to bed at night worrying over Medicare's fate because without it they would die deserve better. The tax cuts our colleagues want to pass are not for the truly needy. The poorest Americans will not benefit at all because they pay little or no taxes, and the richest Americans will get almost all of the benefits from the capital gains and estate tax cuts. Thus, our colleagues fought long and hard to take health care away from needy elderly Americans so they could give the money to people who did not need it. The Bumpers amendment solves this problem in a straightforward manner. It orders the Finance Committee to come up with offsets for any tax breaks it decides to give. In other words, if it wants to give new tax breaks, it has to close some old ones. This amendment is fair, and merits our support.